

## PROFESSIONAL SERVICES AGREEMENT

This SERVICE AGREEMENT (the "AGREEMENT") is made and entered into as of this 26<sup>th</sup> day of January 2004 by and between Nexus Group, Inc. ("Nexus") and the County Assessor of Tipton County, Indiana ("Client").

### RECITALS:

Whereas, Nexus operates a tax research and consulting firm based in Indiana and has certain skills and expertise in regards to the services to be performed;

Whereas, Client desires to retain the benefit of Nexus's service, knowledge, skills and expertise in certain specified areas of Indiana property taxation; and

Whereas, Client and Nexus are desirous of documenting the terms and conditions of said relationship;

The foregoing recitals are adopted by the parties as being true and accurate statements, and are hereby incorporated as binding representations of this Agreement. Now, therefore, in consideration of the premises and the mutual covenants, agreements and representations herein contained, and other good and adequate consideration, the receipt of which is hereby acknowledged, it is hereby agreed as follows:

1. **Engagement.** Client hereby engages Nexus as a service provider, consultant and advisor to the Client with respect to the matters identified in Section 2 hereof and in Attachment 1 to this AGREEMENT for the compensation as set forth in Section 3 hereof and for the term as set forth in Section 5 hereof. Nexus hereby accepts this engagement by Client as a service provider, consultant and advisor with respect to such matters and for such compensation and term.
2. **Services to be Performed.** During the term of this AGREEMENT, Nexus shall provide verbal and/or written reports, communications, data analysis and other related and necessary information ("Services") to the Client in general regards to property class ratio studies, income analysis, neighborhood delineations, neighborhood factors, land valuation as may be desired by the Client, for all property classes (vacant and improved) on a delivery schedule mutually agreeable to both Client and Nexus. These Services and deliverables are further outlined and detailed in Attachment 1 to this AGREEMENT. Client and Nexus may alter the scope and nature of the Services upon mutual agreement. Nexus shall work closely with Client to ensure that Nexus completes those Services necessary so that Client meets all statutory deadlines. Nexus agrees to work in conjunction with the Client and other service providers, including but not limited to those associated with the reassessment and/or software provision, to integrate and transfer information so as to provide information to the Client in a uniform format. All work

product of Nexus shall meet the requirements as established by the Department of Local Government Finance consistent with Regulation 17 as detailed in Version A of the 2002 Real Property Assessment Manual, any subsequent alterations to this document, as well as pertinent and other related adopted rules.

3. **Compensation.** In consideration for the Services as described in Section 2 hereof Nexus shall receive the following sums:

January _ , 2004 to December 31, 2004 -	\$45,000.00
January _ , 2005 to December 31, 2005 -	\$45,000.00
January _ , 2006 to December 31, 2006 -	\$50,000.00
January _ , 2007 to December 31, 2007 -	\$50,000.00
January _ , 2008 to December 31, 2008 -	\$55,000.00
January _ , 2009 to December 31, 2009 -	\$55,000.00

One-half of the above amounts will be invoiced on June 1 and December 1 of each indicated period. Nexus shall submit an invoice or claim for payment to Client on the above-indicated dates. Invoices are due within 45 days, with an additional grace period of 15 days. Payments outstanding after such grace period will be charged a one percent (1%) monthly interest charge. Additional services outside the scope of those in Attachment 1 will be invoiced at the rate of \$700 per day.

4. **On-Site Presentations and/or Defense.** Nexus agrees to provide public presentations, defend and/or support any aspect of these Services in any forum, public or private, as deemed necessary by the Client.
5. **Term, Termination and Suspension.** Subject to termination or suspension as described herein, the term of this AGREEMENT shall commence on the earliest date referenced herein and continue for a six-year period. Either party may cancel this AGREEMENT at any time with thirty (30) days notice and for good and just cause. Client may suspend or terminate the provision of Services at their sole discretion for good and just cause (such as untimely and/or inadequate performance, reassessment delay by the Governor, State Legislature, Indiana Tax Court, and/or Indiana Supreme Court). In the event of a suspension of Service provision, the payment of any and all outstanding compensation due and payable in Section 3 shall likewise be suspended. At the resumption of Services, Nexus and Client would make a good faith effort to amend this Agreement concerning due dates for deliverables and a compensation schedule.
6. **Confidentiality.** Nexus shall maintain the confidentiality of all Client records, data, information, correspondence of any type and similar. All information related to these Services shall be provided to the Client only, unless otherwise directed by Client, or as so directed by a Court of Law.

7. **Independent Contractor.** Nexus shall at all times be an independent contractor hereunder, rather than a coventure, agent, employee or representative of the Client. Client hereby acknowledges and agrees that Nexus may engage directly or indirectly in other business and ventures not otherwise proscribed hereby.
8. **Proscribed Activities.** Nexus or its shareholders shall not file any type of real or personal property appeal on behalf of any person(s), corporations or business entities in regards to property owned, held or possessed in Tipton County, Indiana.
9. **Enforcement.** The provisions of this AGREEMENT shall be enforceable notwithstanding the existence of any claim by either Client or Nexus against the other. Each of the parties of this AGREEMENT shall have the right to specific performance and injunctive relief to enforce the terms of this AGREEMENT.
10. **Governing Law.** The AGREEMENT shall be construed in accordance with the laws of the state of Indiana.
11. **Waiver of Breach.** The waiver of any breach of any provision of this Agreement or failure to enforce any provision hereof shall not operate or be construed as a waiver of any subsequent breach by either party.
12. **Entirety.** This AGREEMENT represents the complete and final agreement of the parties with respect to delivery of Services and shall control over any other statement, representation or agreement. Any changes to the Agreement must be in writing, signed by both parties.
13. **Survival.** The provisions of this AGREEMENT relating to confidentiality shall survive the termination of the AGREEMENT.
14. **Captions.** The captions of this AGREEMENT are for convenience of reference only and shall not be deemed to define or limit any of the terms hereof.
15. **Binding Effect.** This AGREEMENT shall inure to the benefit of both parties and their successors and assigns shall be binding upon both parties.
16. **Indemnification.** Both Client and Nexus agrees to indemnify, defend and hold harmless the other from and against any and all costs, expenses and liability, including, but not limited to, reasonable attorney fees, which it may incur in the event of a breach by the other party of its obligations hereunder or arising from acts or omissions of the other party in performing its obligations hereunder.


17. **Contract Representative.** The Client may designate a Contract Representative to serve as the primary contact person for notifications and receipt and/or coordination of Services. The Nexus Contract Representative shall be Frank S. Kelly, 4225 N. Illinois Street, Indianapolis, IN 46208 (317-925-7783).
18. **Notices.** All written notices shall be directed, if to Nexus, at: 4225 N. Illinois St., Indianapolis, IN 46208; and if to Client, at: Tipton County Courthouse, 101 E. Jefferson St., Tipton, IN 46072.
19. **Responsibilities.** The final determination of assessed value and true tax value is and shall remain the Client's responsibility.
20. **Non-Discrimination.** Pursuant to IC 22-9-1-10, Nexus and its subcontractors, if any, shall not discriminate against any employee or applicant for employment, to be employed in the performance of this Contract, with respect to the individual's hire, tenure, terms, conditions, or privileges of employment, because of the individual's race, color, religion, sex, handicap, national origin or ancestry. Breach of this covenant may be regarded as a material breach of contract.
21. **Delays.** Whenever Nexus or the Client have knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Contract, they shall within fifteen (15) days provide written notice of the delay to the other party by certified mail, return receipt requested, including all relevant information with respect to the actual or potential cause of the delay.
22. **Subcontracting.** Nexus must obtain the approval of the Client before subcontracting all or any portion of this Contract. This limitation shall not apply to the purchase of standard commercial supplies or raw materials. If subcontractors are used, Nexus is responsible for contract performance, compliance with terms and conditions of this Contract, and the requirements of federal and state equal opportunity and affirmative action statutes, rules and regulations.
23. **Force Majeure.** Neither party shall be liable for delays or performance failures resulting from and caused by acts beyond the party's control. Such acts shall include acts of God, acts of war, epidemics, communication line failures, power failures, earthquakes, and other similar disasters. In every case the delays must be beyond the control and without the fault or negligence of the non-performing party.
24. **Maintaining A Drug-Free Workplace.** Nexus hereby covenants and agrees to make a good faith effort to provide and maintain during the term of this

Contract a drug-free workplace, and that it will give written notice to the Client within ten (10) days after receiving actual notice that an employee of the Professional Appraiser has been convicted of a criminal drug violation occurring in Professional Appraiser's workplace. It is further expressly agreed that the failure of Nexus to in good faith comply with the terms of the above, or falsifying or otherwise violating these terms shall constitute a material breach of this Agreement, and shall entitle the Client to impose sanctions against Nexus including, but not limited to, suspension of contract payments, termination of this Agreement and/or debarment of Nexus from doing further business with the Client for up to three (3) years.

In witness whereof, the undersigned have executed this AGREEMENT effective as of the day and year first set forth above.

"Nexus"

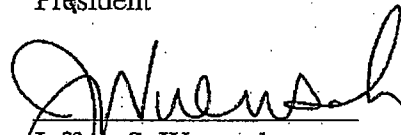
By:

  
Frank S. Kelly  
President

Date

1-30-04

By:

  
Jeffrey S. Wuensch  
Chief Operating Officer

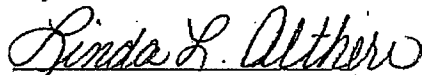
Date

1-30-04

"Client"

Tipton County Assessor

By:

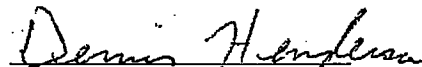
  
Linda L. Altherr

Date

1-26-04

Tipton County Commissioners

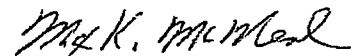
By:

  
Dennis Henderson

Date

1-26-04

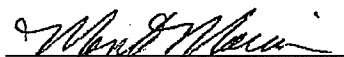
By:

  
Max McNeal

Date

1-26-04

By:

  
Monte Morrison

Date

1-26-04

## Attachment 1

### Nexus Group Deliverables

1. Perform assessments on all new construction (residential, agricultural, commercial and industrial property classes).
2. Review findings of preliminary appeals and hearings in regards to the 2002 Reassessment
3. Update and maintain the Sales Disclosure Form database. As appropriate, perform site visits to transacted properties for field review, photographs and data collection.
4. Annual update of Tipton County Ratio Study (medians, COD's and other statistics as needed).
5. Provide technical support to the County Assessor and PTABOA on all issues.
6. Provide technical support to the County Assessor, PTABOA and/or to *Meighen & Associates* in regards to appeals (property inspections, data collection, income analysis, expert witness testimony, etc.).
7. Review all existing neighborhood designations, suggest reclassifications, and determine appropriate, updated neighborhood factors. This process would begin with the neighborhoods demonstrating the most serious assessment issues.
8. Land Valuation for all improved and unimproved property classes by property class, area, use and township as appropriate. This included on-site inspections of vacant land sales, extraction of values from improved sales, and/or site valuations as needed.
9. Income/expense information will be collected, sorted, compiled, and implemented to assessments as appropriate. This data will also be used to consider appeals. Capitalization and vacancy rates will be determined. Our initial targets are commercial properties where income capitalization provides a better estimate of value.
10. Residential improvements in areas where the neighborhood factor is deemed high and areas where significant residential-type rental property exists will be data-collected and reviewed in both cost-based assessment and income-based methods.
11. Annually revisit 1/3 of commercial & industrial property for any changes in use or other pertinent data. Correct property location address as needed. Properties may be visited by township or by property type, as directed by the Client.
12. Annual re-examination of all commercial & industrial property with obsolescence.
13. Update and/or correct lot sizes, property addresses, plat maps and other parcel characteristics.
14. Perform up to fifteen (15) personal property reviews to determine if personal property is reported accurately.

## **Tipton County Specifications For Annual Assessment Services**

### **New Construction**

- Perform assessments on all new construction classes – residential, commercial, industrial, agricultural, and exempt.
- Provide data entry assistance, when/if needed.

### **Land Valuation**

- Annual update for all real estate values – improved and unimproved
- Conduct on-site inspection of vacant land sales, extracting values from improved sales, and site valuations as needed.

### **Neighborhood Delineation**

- Create market areas for all property classes based on sales disclosure form data.

### **Improved Commercial & Industrial**

- Annual review and site visit of all commercial and industrial property currently receiving functional obsolescence, economic obsolescence and influence factors on land.
- Annual field review of approximately one-third (1/3) of all improved commercial and industrial properties. Note business name and current address when visiting all properties.
- Take photographs of improved property when pertinent and justified.
- Annual ratio study performed for commercial and industrial improvements.

### **Improved Residential & Agricultural**

- Establish new neighborhood market areas as needed and suggest, if need be, reclassification.
- Re-examine all neighborhoods with factors less than 0.85 and greater than 1.15 and make appropriate adjustments to land and/or improvement values.
- Calculate separate neighborhood factors for all agricultural improvements.
- Provide photography in relationship to commercial and industrial properties as noted above.
- Annual update and general maintenance of Tipton County Sales Disclosure Form database.

### **Income/Expense Analysis**

- Collect, sort, compile, and implement all pertinent information as appropriate to develop capitalization and vacancy rates to help establish values and/or economic obsolescence based on the income approach.

### **Ratio Studies**

- Perform annual ratio study of all Tipton County improved and unimproved parcels (medians, COD's, and other statistics that are deemed important).

### **Appeals**

- Provide technical support on all appeals and preliminary hearings.
- Perform any site visits and compile and gather all data collection, income analysis, etc., as deemed necessary and needed, for any appeal(s) current (2004) and forthcoming.